

Dentons Flashpoint

Daily Global Situation Report

February 8, 2022

Global Situation Update: February 8, 2022

KEY TAKEAWAYS

Russian President Putin described yesterday's talks on the Ukraine crisis with French President Macron as useful.

ECB President Lagarde signaled support for a “gradual” shift in policy to tackle record inflation.

Trucker-led protests against COVID-19 restrictions spread to Asia and US-Canada border.

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WHAT WE'RE WATCHING

Eleven consecutive days of protests in Ottawa by the 'Freedom Convoy' are paralyzing Canada's capital and have forced authorities there to declare a state of emergency. There is also a much wider risk as the mass movement against vaccine mandates led by truckers threatens to spark copycat protests around the world. Sympathizers in the US are reportedly helping to fund the Canadian truckers.

On social media, there is an effort to organize a similar freedom convoy to shut down Brussels, the headquarters of the European Union, on Feb. 14. There is also social media chatter about trucker-led anti-mandate protests across the US, Australia, and within each EU member country. Mass demonstrations could impact regional and national supply-chains in addition to causing gridlock in urban centers.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

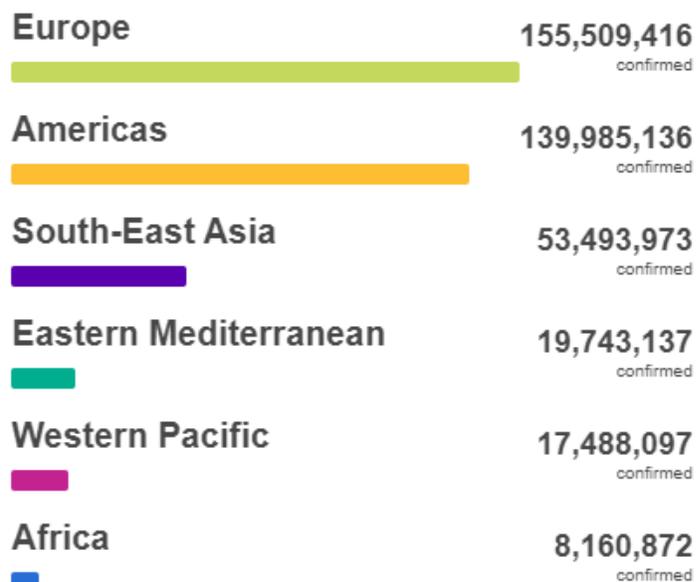
Global

Globally, confirmed coronavirus cases topped 394.3 million with 5.7 million deaths; more than 10.0 billion vaccine doses have been administered.

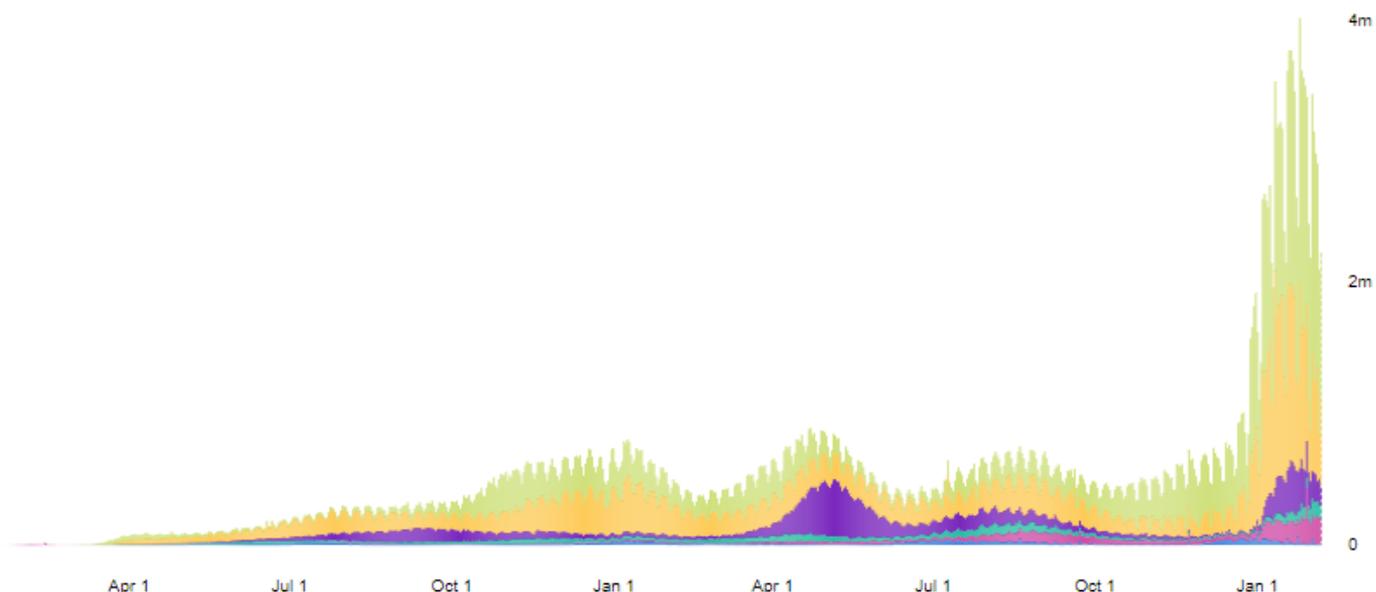
- Russian President Putin described yesterday's talks on the **Ukraine crisis** with French President Macron as useful, and some could form a basis for further joint steps. Macron is in Ukraine today for consultations.
- Chinese scientists say they have developed a new **coronavirus test** that is accurate as a polymerase chain reaction (PCR) lab test but gives results within four minutes.

Global

Situation by WHO Region



Source: World Health Organization
Data may be incomplete for the current day or week.



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Markets & Business

US Securities and Exchange Commission has proposed new rules that could bring more digital asset exchanges under its purview including cryptocurrency platforms.

- Citing regulatory hurdles, **SoftBank Group Corp** has dropped plans to sell **Arm Ltd** to US chipmaker **Nvidia Corp**, a deal valued at up to \$80 billion, and will instead take Arm Ltd public.
- The European Commission announced the **European Chips Act**, which will enable 15 billion euros (\$17 billion) in additional public and private investment by 2030 to boost its chip industry, including making it easier for EU governments to provide funding for first-of-a-kind factories, as the bloc tries to cut its dependence on US and Asian companies.
- US low-cost carrier **Frontier** has agreed to acquire rival **Spirit** for \$6.6 billion, including net debt, in what would be the first large airline merger since the industry was rocked in 2020 by the pandemic.
- The Securities and Exchange Commission has subpoenaed **Tesla Inc.** for information about compliance with a court-ordered settlement requiring certain of Elon Musk's tweets be preapproved, showing ongoing concerns about governance at Tesla.

Environment, Sustainability & Governance

Moody's ESG Solutions estimates that sustainable bond issuances to hit record \$1.35 trillion this year, and the volume of green, social, sustainability and sustainability-linked bonds is projected to grow 36 per cent in 2022.

- Financial services firm Morningstar reported that assets in European **funds marked as sustainable** have reached 4 trillion euros, 40 percent of all assets in EU-domiciled funds.
- The Circular System for Assessing Rare Earth Sustainability or CSyARES, an EU-funded certification scheme using blockchain, is being developed for **rare earths** as automakers demand proof that materials used to make magnets for electric vehicles are not linked to toxic pollution.
- According to a new study that measured the thickness and movement of more than 250,000 **mountain glaciers** using new satellite imaging techniques, the world's shrinking glaciers contain less ice than previously estimated, with implications for future availability of drinking water, agriculture and electricity generation.
- The Biden Administration made available \$725 million in funds to clean **up abandoned coal mines** this year.

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Africa

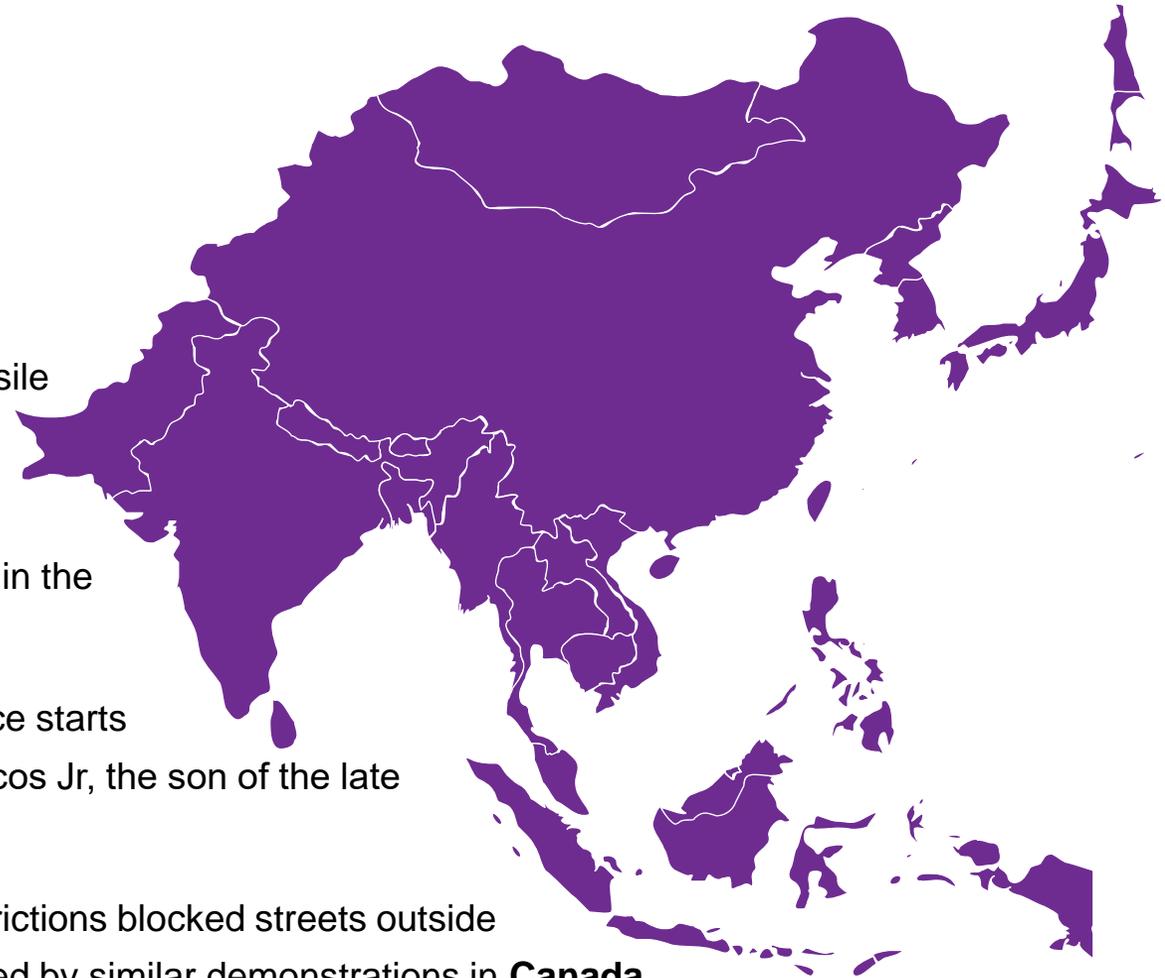
- The BBC reported that three of its reporters had been detained by the military while covering anti-coup protests in **Sudan**.
- **Malawi** announced that much of the country will experience decreased access to power for the next six months after the main dam was damaged by tropical storm Ana.
- The government of **Botswana** amended a proposed surveillance law, removing language that ended judicial oversight of surveillance orders and adding a measure criminalizing government surveillance.
- The UN World Food Program said that 13 million people across the **Horn of Africa** face severe hunger and called for immediate assistance to avoid the deaths of hundreds of thousands of people.



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Asia

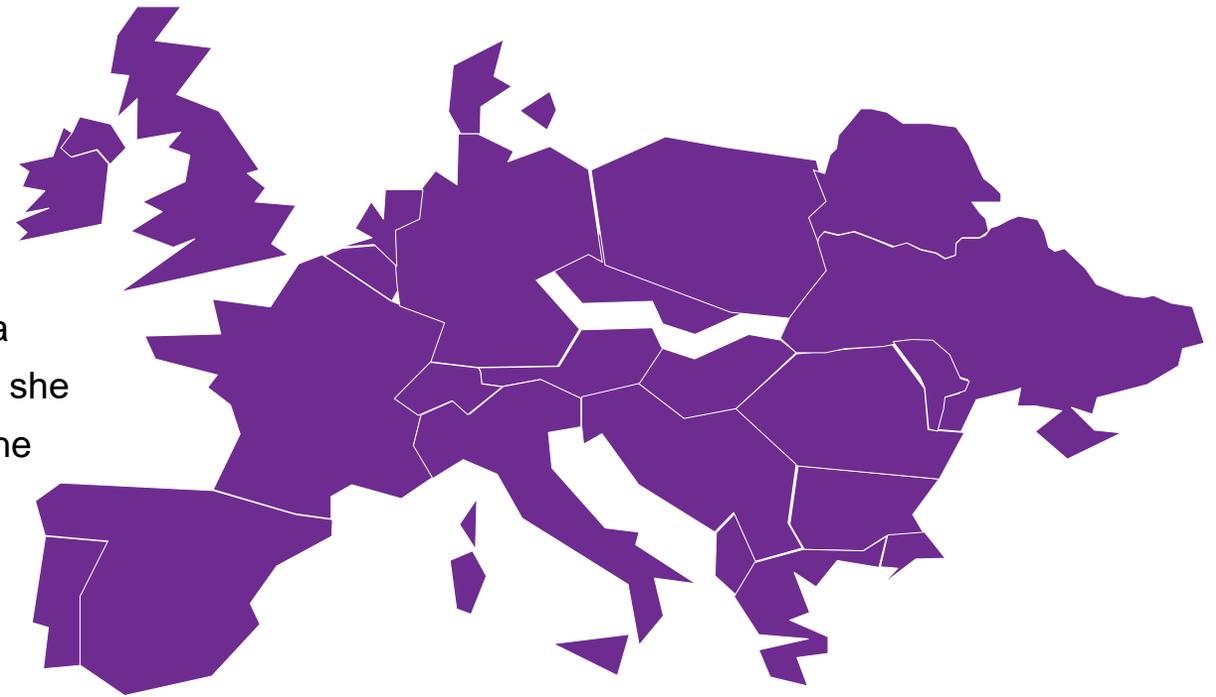
- The **US** has approved a possible \$100 million sale of equipment and services to **Taiwan** to "sustain, maintain, and improve" its Patriot missile defense system, in a move likely to increase tensions with **China**.
- **Taiwan** will host a high-level delegation from **Somalia's** breakaway **Somaliland** region this week, as Taiwan pursues diplomacy in Africa in the face of Chinese pressure to limit its international footprint.
- In the **Philippines**, the official campaign period of the presidential race starts amid questions over whether frontrunner Ferdinand "Bongbong" Marcos Jr, the son of the late dictator, will be disqualified.
- Hundreds of people protesting vaccine mandates and pandemic restrictions blocked streets outside **New Zealand's** parliament today with trucks and campervans, inspired by similar demonstrations in **Canada**.
- **Malaysia** is considering a full reopening of borders as early as March 1 without mandatory quarantine for travelers, as part of plans to accelerate economic recovery.
- **Hong Kong** announced stringent new coronavirus restrictions and record new infections today, with COVID-19 restrictions on truck drivers from mainland **China** leading to a shortage of vegetables.



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Europe

- **European** Central Bank President Lagarde signaled support for a “*gradual*” shift in ECB policy to tackle record inflation, saying she no longer expected inflation to fall below its 2 per cent target by the end of this year.
- **Germany** and the **UK** have decided to send additional troops to NATO battle groups in Eastern Europe, **Lithuania and Poland**. The first **US** troops reinforcing NATO allies on the eastern flank arrived in **Romania**.
- **Russian** forces begin three--week nighttime tactical drills in southern Russia, hours after French President Macron said Russian President Putin had promised not to stage new maneuvers near the border with **Ukraine** for the time being. Russia's southern military district borders Ukraine and includes Crimea. However, a list of 10 areas in southern Russia and breakaway regions of Georgia where the drills would take place did not include territories along the Ukrainian frontier.
- On a two-day visit to the US, **German** Chancellor Scholz repeatedly dodged questions on the fate of the Nord Stream 2 pipeline should Russia invade, while President Biden declared the **US** would “*bring it to an end.*”



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How do You Manage Political Risk?

Today, the economic and political changes affecting international business are more complex than ever. Conflicts, coups and the coronavirus pandemic continue to impact governments and people worldwide and shape the business landscape in 2021.

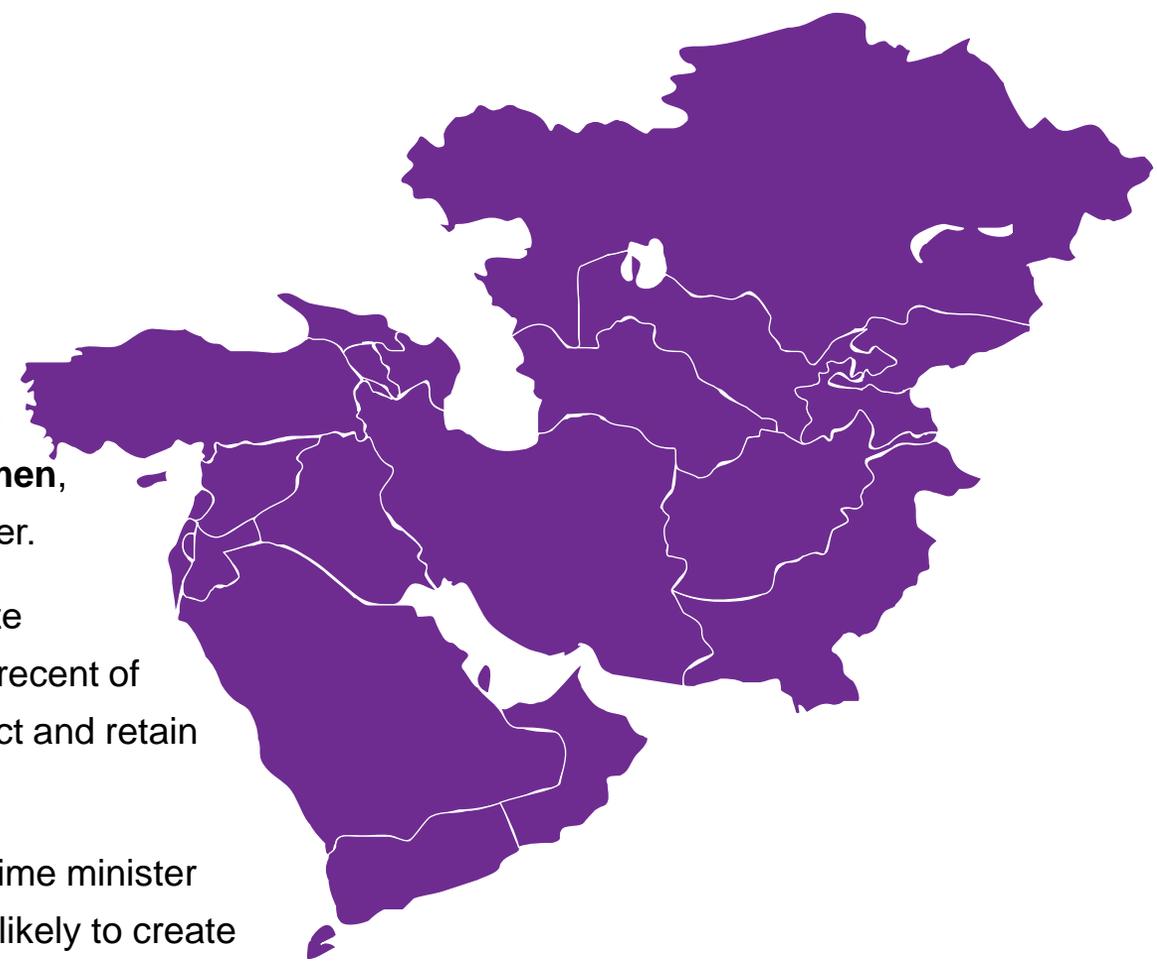
Dentons offers business leaders routine and one-off political risk assessments on specific interests. Many clients also retain our team of attorneys and former intelligence and military professionals, equipped with the latest big data analytics tools, deep substantive knowledge and extensive networks of contacts, to provide services, including:

- ❖ Political and country risk forecasts and analysis
- ❖ Market-entry assessments
- ❖ Legislative and government action forecast
- ❖ Comprehensive project analysis
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Investment risk analysis

All interaction with Dentons is attorney-client privileged

To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Middle East

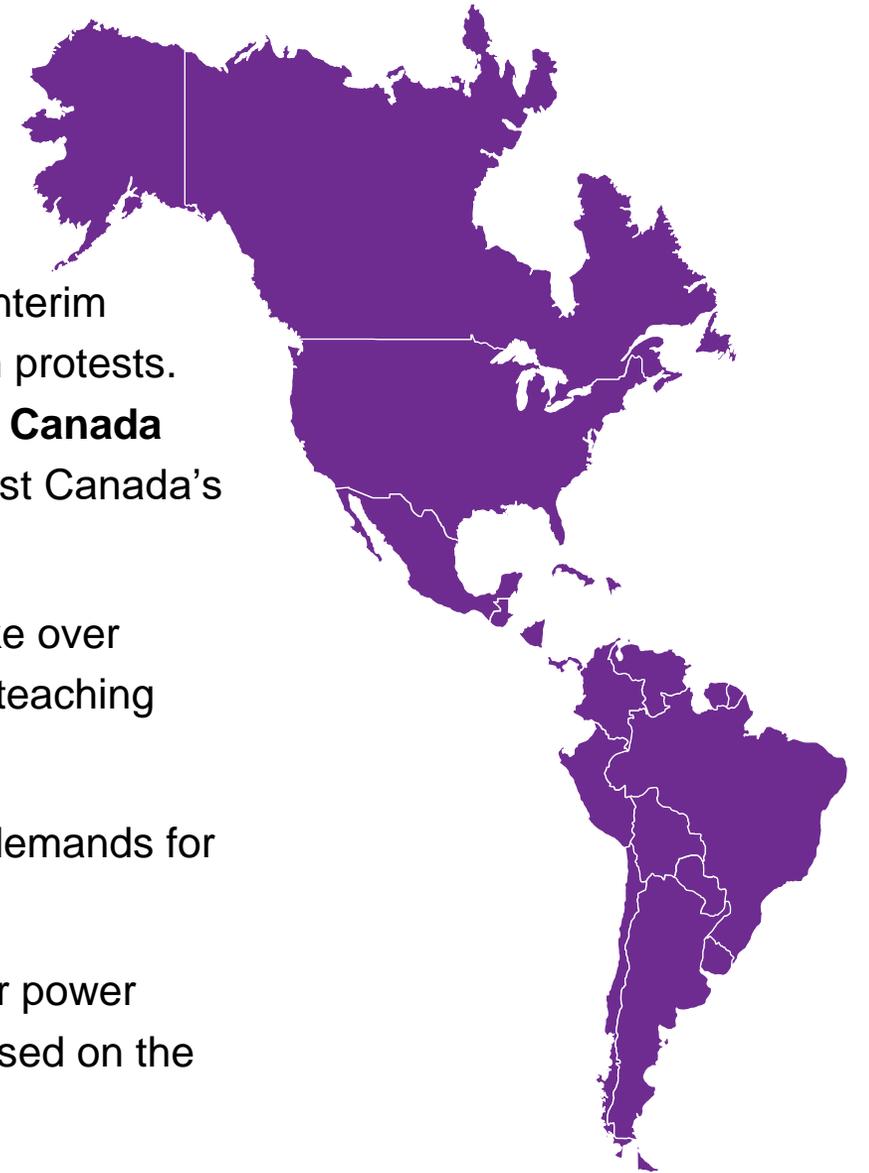


- The UN reported that over the weekend, representatives from **Saudi Arabia** and the Houthis agreed to a plan to remove much of the oil stranded on the damaged Safer Tanker moored off the coast of **Yemen**, which has the potential to deteriorate and poison millions' drinking water.
- **Bahrain** announced the availability of a “golden visa” granting indefinite residency to foreign investors and talented expats, making it the most recent of several Gulf countries to create more permissive visas in a bid to attract and retain talent to diversify its economy.
- **Libya's** parliament announced its intention to appoint a new interim prime minister following a loss of support for Dbeibah after missed elections, a move likely to create parallel governments, and that it would not plan to hold elections this year.
- An **Israeli** newspaper published a report claiming that Israeli police used the NSO Group Pegasus software to surveil members of former prime minister Netanyahu's inner circle, potentially undermining corruption charges against him.
- **Lebanese** banks publicly rejected a government financial rescue plan that involves cutting the value of savings accounts, saying it would result in long term loss of confidence in the financial sector.

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Americas

- Ottawa police seized thousands of liters of fuel and a judge granted an interim injunction against noise from honking in an effort to end the anti-lockdown protests. Trucks on the Ambassador Bridge, a key trading link between the US and **Canada** caused the temporary closure early Tuesday amid growing protests against Canada's COVID-19 vaccine mandates.
- **Nicaraguan** lawmakers passed legislation allowing the government to take over operations of six universities that the government shuttered last week for teaching material seen as critical of President Ortega.
- The **Argentine** government ordered oil majors and workers to negotiate demands for higher wages in a bid to avert a worker strike.
- **China** National Nuclear Corp, one of the nation's two state-owned nuclear power project developers, has signed a contract to build a plant in **Argentina** based on the domestically developed third-generation Hualong One reactor design.



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Americas: US

- New Jersey, Connecticut, Delaware, California and Oregon will lift indoor **mask mandates** for schools and other public places in coming weeks as the Omicron surge abates.
- The House of Representative is scheduled today to vote to extend a temporary government funding measure through March 11, buying time for negotiators to work out a comprehensive **fiscal 2022 package** after a prolonged deadlock over how much to allocate for military and nondefense spending.
- The IRS is ending its use of a private facial-recognition system to authenticate **taxpayers' identities** for online accounts, after criticism from lawmakers in both parties over privacy concerns.
- The Commerce Department added 33 **Chinese** entities to its so-called 'unverified list', which requires US exporters to go through more procedures before shipping goods to the entities. The entities included listed companies, universities as well as aerospace and electronics suppliers, notably including Wuxi Biologics, one of China's most valuable biotechnology companies.
- The US and **Japan** announced an agreement to remove Trump-era tariffs from about 1.25 million metric tons of Japanese steel imports annually.



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The Future of Space: Satellites for Climate Action

For climate action, the surge in the number of Earth observation satellites offers the ability to leverage space technology to measure and track changes in climate and monitor whether new climate protection policies and programs are making a difference.

Eyes are peering upward these days with the promise of groundbreaking developments in space technology. Last year, Elon Musk's SpaceX took the world's first tourists into the new frontier. More countries are developing space programs, such as the UAE with its Hope mission exploring Mars, the first Arab country and fifth in the world to reach Mars. The US has even established a Space Force, whose mission is operating and defending military satellites and ground stations that provide communications, navigation and Earth observation.

NASA's Earth System Observatory

One new effort is NASA's Earth System Observatory program, which is creating a 3D, holistic view of Earth, from bedrock to atmosphere. NASA will develop a series of five Earth science satellite missions over the next decade, part of the \$2.5 billion program called to collect climate and geological data. The spacecraft will measure changes on Earth's surface to the centimeter to observe the flow rates of glaciers, the collapse of ice sheets, and the dynamics of earthquakes, volcanoes, and landslides. The first satellite will be launched in January of 2023 in a joint mission with India and its mission will be to concentrate on earthquakes, lava flows, volcanoes, ice breaking off and major shifts.

According to NASA, areas of focus for the observatory include tracking aerosols and how they affect the global energy balance, a key source of uncertainty in predicting climate change; tracking clouds and precipitation to improve future projections of climate change, air quality forecasting, and prediction of severe weather; providing data for drought assessment and forecasting through

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The Future of Space: Satellites for Climate Action

monitoring the Earth's mass change; measuring fluxes of carbon, water, nutrients, and energy within and between ecosystems and the atmosphere, the ocean, and the Earth for impact on food and agriculture, habitation, and natural resources; and quantifying models of sea-level and landscape change driven by climate change, hazard forecasts, and disaster impact assessments, including dynamics of earthquakes, volcanoes, landslides, glaciers, groundwater, and Earth's interior.

California's Carbon Mapper Project

California, through a public-private partnership program, is leading the vanguard in deploying a ground-breaking hyperspectral satellite constellation with the ability to pinpoint, quantify and track point-source methane and CO2 emissions. The project, Carbon Mapper, is a collaboration among State of California, NASA's Jet Propulsion Laboratory (NASA JPL), commercial partner Planet, the University of Arizona, Arizona State University (ASU), philanthropic investor High Tide Foundation and clean energy transition non-profit RMI.

The data collected by the Carbon Mapper constellation of satellites will provide more complete, precise, and timely measurement of point source methane and CO2 source level emissions as well as

more than 25 other environmental indicators. The Carbon Mapper seeks to measure methane and CO2 emissions at the scale of individual facilities – particularly intermittent activity. Carbon Mapper, in collaboration with California's Air Resources Board, is also developing a public portal to make the data available for use by industry, governments, and private citizens to improve greenhouse gas accounting, expedite repair of leaks, support disaster response, and improve environmental resilience. Phase 1 is underway and includes development of the first two satellites by Planet and NASA JPL, with a planned to launch in 2023.

ESG Fuels Demand for Satellite-Sourced Data

Space will play a big role in the environmental side of ESG in 2022 and beyond, where satellite companies are already helping companies track and meet climate change targets. The number of commercial satellites in operation is growing by leaps and bounds. Of the 4,550 satellites currently orbiting the world, 478 are commercial satellites for Earth Observation. Five years ago, there were just 78 commercial Earth Observation satellites, according to data from the Union of Concerned Scientists.

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The Future of Space: Satellites for Climate Action

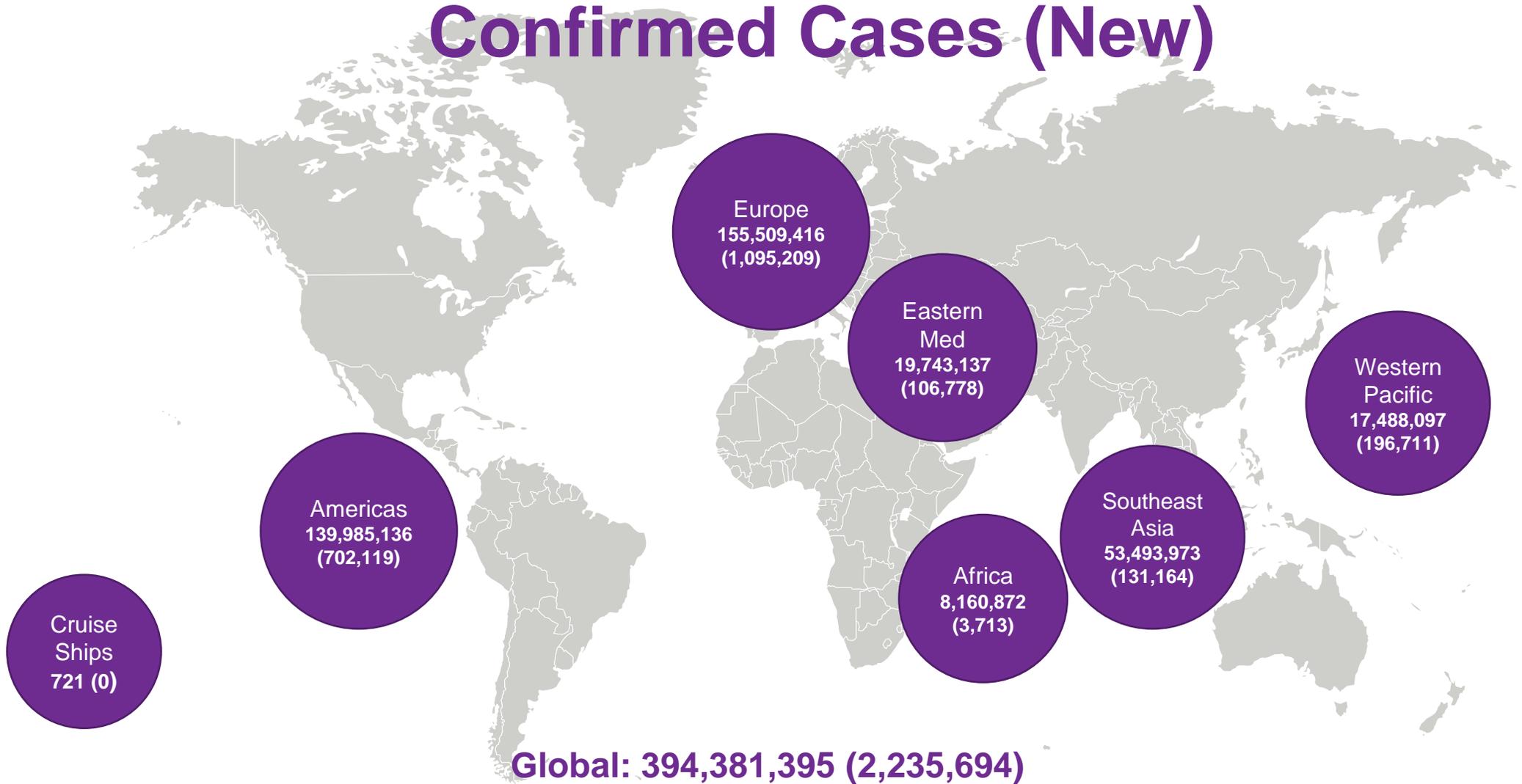
Data from commercial satellites is also empowering analytic companies to offer a range of services to businesses, from monitoring extreme weather and natural disasters, such as flooding and fires, to the emerging field of ESG metrics. There is increasing demand for companies to provide data-backed reporting on carbon emissions throughout their supply chain. Companies use artificial intelligence and machine learning to analyze satellite imagery and sensor data to come up with quantifiable emissions estimates in near-real time. Other companies offer mapping and other satellite-based data on deforestation, providing alerts enabling commodity trading companies to better understand their environmental impact and to help mitigate against deforestation. Space-sourced data is also expected to shape consumer behavior, from businesses' choice of suppliers to a consumer's choice of a product. While the regulatory environment and rating systems are still emerging, the quest for reliable metrics will only increase.

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Coronavirus Condition Updates

As of 6:08 pm CEST on February 7, 2022

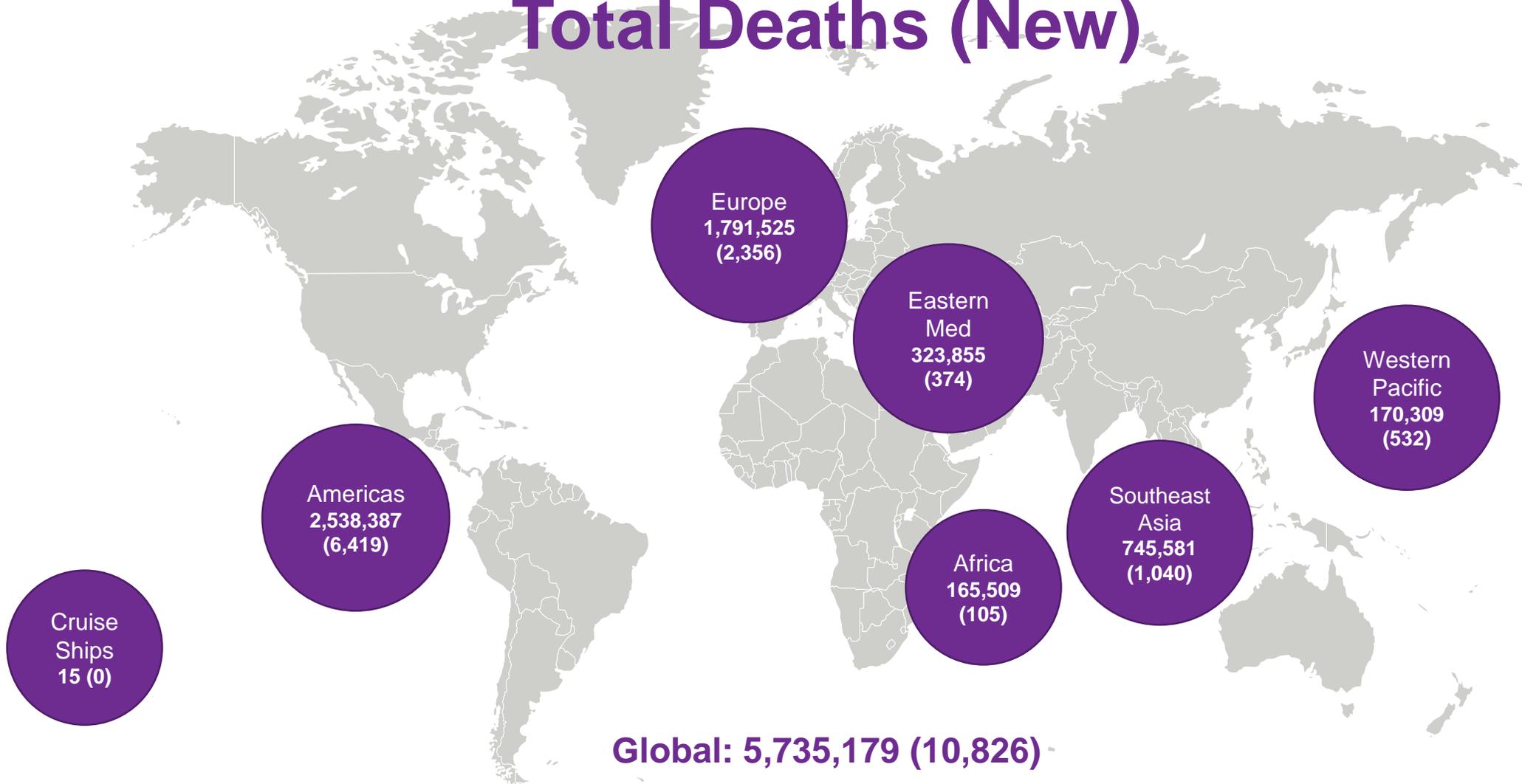
Confirmed Cases (New)



Reflects data as of 6:08 pm CEST on February 7, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:08 pm CEST on February 7, 2022.
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Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

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